Volunteer Quality Alert 2005-05 – Form W-2 Wage and Tax Statement

You may use this document as a job aid when assisting taxpayers who have certain benefits or adjustments.

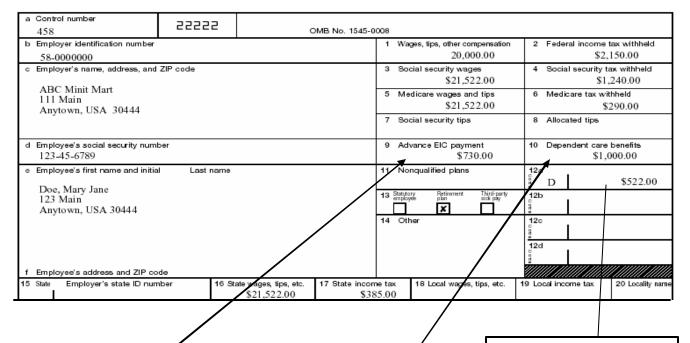
Form W-2 - Box 1 and 2 - What's Next?

General Rule: Forms W-2 are full of information about the income and benefits, both taxable and non-taxable, received by taxpayers. The income statements contain a great deal more than just Box 1 – Taxable Income and Box 2 – Federal Tax Withholding.

Challenge: Use the income statements in combination with the intake sheet and a strong interview as you prepare returns. Every entry on Form W-2 is critical in completing an accurate return.

When preparing a tax return electronically – **KEY WHAT YOU SEE!**

When preparing a paper return – **CONSIDER EVERY W-2 ENTRY!**



Advance EIC Payment: When using e-file, this amount will automatically fill in on line 60 of Form 1040 or line 37 of Form 1040A. If preparing a paper return, remember to include the amount of the Advance EIC Payment.

Dependent Care Benefits:

When using e-file, an amount in this box will automatically complete Page 2 of Form 2441, Child and Dependent Care Expenses If preparing a paper return, remember to calculate.

Box 12 Code & Amount:

When using e-file, an amount in this box with code D and G will automatically generate a Form 8880, Credit for Qualified Retirement Savings Contributions, if the taxpayer meets the age and income requirements. If preparing a paper return, you must calculate the Form 8880.

Training refresher, Volunteers can refer to:

- Publication 678, The Volunteer Assistor's Guide/Student Text, Lesson 3. Income. or
- Publication 1155, Instructor's Guide, Lesson 3, Income, or
- Publication 4012, Volunteer Resource Guide, or
- Publication 17, Your Federal Income Tax, Part 2, Chapter 6, or call
- The VITA Hotline at 1-800-829-8482.